

# ALPENA POWER COMPANY

401 N. Ninth Ave  
Alpena, Michigan 49707



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Contact:  
Ken Dragiewicz, President and COO  
solutions@alpenapower.com

## Alpena Power Requests an MPSC “Act of God” Waiver for Bill Credits After Historically Catastrophic Ice Storm

With nearly 40-times more outage minutes than any storm in at least 28 years, the 2025 Northern Michigan ice storm caused catastrophic damages that qualify for an MPSC waiver on bill credits

ALPENA, Mich. – In the aftermath of what is widely described as a catastrophic ice storm unlike anything in memory, [Alpena Power Co., Michigan’s 2<sup>nd</sup> smallest investor-owned utility](#), formally requested a “bill credit” waiver from the Michigan Public Service Commission (MPSC) under rules that anticipate an “act of God” which overwhelms best practices in normal times.

“The damage caused by this generational storm is unlike anything I’ve ever experienced,” said **Ken Dragiewicz, Alpena Power’s President and COO**. “Our detailed outage records go back almost 30 years and this storm’s impact was nearly 40 times greater than the second largest storm on record.”

“This unprecedented ice storm caused extensive damages to the grid that were out of our control and led to a significant financial impact amounting to millions of dollars for our small company. This is why we have formally filed for a waiver of the bill credit at the MPSC, using rules created for just this type of situation.”

### HUGE FISCAL IMPACT LED TO UTILIZATION OF MPSC WAIVER PROCESS

After suffering \$2.5 million in ice storm repair costs and \$350,000 in lost revenue from the outages, the potential of an additional \$1.5 million in MPSC-imposed “bill credits” forced Alpena Power to file a request at the MPSC for a waiver on outage bill credits. The request was filed on April 17<sup>th</sup>.

In normal times, MPSC Service Quality and Reliability Standards require utilities to provide bill credits to customers for outages beyond a duration threshold depending on conditions, as well as credits for multiple interruptions in a 12-month period.

These rules exist to incentivize utilities to act quickly during short-term outages and invest in grid maintenance to avoid outages in the long-term.

**However, in times of crisis, MPSC standards allow for the possibility of a waiver for bill credits**

**when the circumstances causing the outages are beyond the control of the utility, such as problems caused by an “act of God”, and/or place the utility in a potentially difficult financial situation.**

**Based on these standards, Alpena Power requested to utilize the MPSC waiver provisions by filing a petition within 14 calendar days after conclusion of the outage on April 17<sup>th</sup>.**

“The spirit of MPSC’s Service Quality and Reliability rules are to incentivize utility best practices and to hold utilities accountable for circumstances within their control,” **Dragiewicz said.** “In a storm of this magnitude, following utility best practices for ice loading and vegetation management would not have prevented large-scale, long duration outages. These infrequent yet impactful events outside of a utilities control are why the waiver provisions are included in the rules.”

## **CATASTROPHIC ICE STORM AND SUCCESSFUL RESTORATION EFFORTS**

Beginning in the late-night hours of March 28<sup>th</sup> and continuing through April 1<sup>st</sup>, Alpena’s entire service territory, as well as a majority of northern Michigan, experienced multiple rounds of freezing rain, significant ice accumulation, strong and gusty winds, sleet and snow.

This generational storm caused widespread damage to Alpena’s distribution system including broken poles, damaged distribution transformers, broken crossarms, downed primary, secondary, and service wire, and, to the largest extent, trees on primary, secondary, and service wires.

The damage was not isolated to Alpena’s system but affected all northern Michigan electric utilities including the Michigan Electric Transmission Company, which provides transmission service to Alpena Power Company. As Alpena does not own any generation assets it relies on the transmission grid for the supply of power. While there is third party owned generation equipment connected to Alpena’s system, none of them have the capability or capacity to operate without grid support. During the storm Alpena experienced two transmission grid outages lasting over 41 hours that affected nearly all of Alpena’s customers.

On March 30<sup>th</sup>, Governor Whitmer activated the State Emergency Operations Center to coordinate assistance and on March 31 issued a State of Emergency Declaration for 10 northern Michigan counties, later expanding the declaration to 12 counties covering all of Alpena Power’s service territory.

In response to the outages caused by the storm, Alpena utilized all available resources to restore power as quickly as possible. This included Alpena Power Company crews, mutual aid crews from other utilities, contract line workers, tree clearing contractors and crews from the National Guard.

Once the transmission grid was restored the night of March 31<sup>st</sup>, Alpena began restoring power to its customers and the restoration process continued until the morning of April 10<sup>th</sup> when the last of Alpena’s customers without building damage were energized.

“This storm caused significant damage across northern Michigan. Many of us had our homes and businesses damaged, suffered lost income from closed businesses, lost refrigerators and freezers full of food, and spent multiple nights cold and in the dark wondering when power was going to be restored.

“We are proud of the emergency work we did under unprecedented circumstances to serve our community. I want to assure our customers that we did everything in our power to restore service as quickly and safely as possible. Alpena Power is committed to completing grid repairs in the aftermath of the ice storm and continuing to invest in the grid to limit future outages.”

## **FREQUENTLY ASKED QUESTIONS**

### **1. Was this a historically catastrophic ice storm?**

Yes. This ice storm was nearly 40 times larger, on an outage minute basis, than the next largest storm of the past 28 years. (97 million outage minutes in 2025 vs 2.58 million in 2012)

### **2. Will I be charged for electricity usage during the ice storm outage?**

No. Electricity is billed to customers only after it has been used. Therefore, if your power was out during the ice storm, you will not be charged for electricity usage. No refund is necessary.

### **3. Who is responsible for paying for ice storm damages?**

So far, Alpena Power has spent \$2.5 million to repair ice storm damage to the grid (power lines, poles, transformers, etc.), covering everything but equipment directly attached to your home.

As always, customers are only responsible for equipment attached to their home or building, starting with the mast.

### **4. Is Alpena Power responsible for downed trees on my property?**

No. While Alpena Power operates a regular vegetation management program to protect power lines, trees are the responsibility of the property owner.

### **5. Will I receive a “bill credit” for electric service disrupted by the ice storm?**

The MI Public Service Commission (MPSC) uses outage bill credits to encourage utilities to quickly respond to short-term outages and properly maintain the electric grid in normal times.

Alpena Power did both of those things.

MPSC rules also allow bill credits to be waived when an unprecedented event (“act of God”), like the ice storm, causes an outage.

That is why we asked for a waiver.

As a small utility, Alpena Power already faces \$2.8 million in total ice storm costs and losses.

Adding up to \$1.5 million more in costs would limit our ability to invest in the grid to reduce future outages.

### **6. When will customers know if bill credits are ordered by MPSC?**

Alpena Power asked the MPSC to define the recent ice storm as an “act of God” because the damages and resulting outages were caused by a historically bad ice storm.

The MPSC review process may take several months. In the meantime, we will continue repairing damages caused by the ice storm and proudly serving our customers.

## **THANK YOU TO OUR COMMUNITY**

Alpena Power workers take pride in serving our community.

Thank you for the support provided to our storm recovery team as we worked to restore power to

our service area.

We are committed to investing in the grid to strengthen it against catastrophic storms like this in the future.

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